

Novosel Plan Summary

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:)	Case No. 17-10626 TPA
)	
CHARLES S. NOVOSEL and)	
LINDSEY M. NOVOSEL,)	Chapter 11
)	
Debtors.)	Docket No.

SUMMARY OF PLAN OF REORGANIZATION DATED MAY 30, 2018

1. Liquidating Plan (primarily). Debtors' plan is primarily a liquidating plan. It requires Debtors to sell 5 parcels of real estate and some personalty to pay tax claims. Debtors are retaining their home and some essential personalty. The Residence is worth approximately \$170,000 and is subject to in excess of \$170,000 in liens. The personalty is also fully encumbered. The \$170,000 in liens against the Residence and \$28,000 in liens against the personalty are to be paid in deferred payments.

2. Debt: \$1,305,000+ (summarized below):

Secured	650,952
Administrative	25,650
Priority	283,930
Unsecured	<u>345,414</u>
Total	1,305,946

3. Family Circumstances: Debtors' family consists of Debtors and 4 minor children. Gross family income in 2016 was about \$82,000 but in 2017 it was only \$42,602. It is anticipated that 2018 income will be in excess of \$60,000.

4. Reasons for Chapter 11. Charles S. Novosel operated a water truck business as a sole proprietor under the name of Allegheny Mountain Enterprises to service the natural gas drilling industry. The slow down in this industry caused this business to fail. Debtors were unable to pay significant payroll and income tax liabilities during the decline of the business. Tax liens were filed against them. Several tax sale were scheduled. The chapter 11 was filed to protect the value of their assets from depressed sale prices which are common in tax sales.

5. No Equity: Debtors have approximately \$510,000 in non-cash assets which are over-encumbered by real estate tax, IRS, and Pennsylvania Department of Revenue liens which total in excess of \$650,000.

6. Secured Claims

Debtors have the following secured creditors (Class No. In ()):		
Elk C.T.C. B. (1)	Residence	1,600
Citizens&North. Bk. (2)	Residence	76,257
IRS (3,6,7,8, 9,10,11)	All property	531,286
PA Revenue (5)	Rental Property	18,796
Hamlin Bank (12)	Rental Property	7,000
Cameron C.T.C.B. (14)	30.96 Acre Tract	910
Elk C.T.C.B (16)	Jones Twp. Property	15,437
Citizens & North. Bank (17)	2007 GMC Yukon	6,666
Total		650,952

7. Administrative Claims: Debtors have about \$25,000 in legal fees which are owed and United States Trustee fees of \$650.

8. Priority Tax Claims

IRS	227,032	Priority taxes
PA Department of Revenue	9,294	Priority taxes
Ohio Bur. of Worker's Comp. (disputed)	21,354	Priority taxes
	283,930	

9. General Unsecured Claims (Class 18). These claims total \$345,414. Debtors' do not have sufficient income or assets to pay anything on account of these claims.

10. Chapter 7 Liquidation Alternative - 0 % Distribution for Class . Debtors estimates that general unsecured claimants (Class 18) will not receive any distribution if the Debtors cannot obtain approval of any plan and the Debtors' case is converted to a chapter 7 case

11. Equity Security Interests. These interests are retained by Debtors.

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